

Message Text

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PAGE 01 MOSCOW 04916 121448Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 EB-08 /021 W
-----121503Z 037375 /53

P R 121315Z APR 77
FM AMEMBASSY MOSCOW
TO USDOC WASHDC PRIORITY
INFO AMEMBASSY PRAGUE
AMEMBASSY WARSAW
SECSTATE WASHDC 6148

UNCLAS MOSCOW 4916

FOR BEWT/TPD (THOMPSON)
PRAGUE FOR MURRIN
WARSAW FOR USTDC (HERTZBERG)

E.O. 11652: N/A
TAGS: BEXP, UR
SUBJECT: PROPOSED MACHINE TOOL AND METAL FORMING VIDEO CATALOG
EXHIBIT (VCE)

A) USDOC 6441, B) THOMPSON-FARRAND MEMO 3/18/77, C) MOSCOW 344

1. EMBASSY SURPRISED THAT USDOC HAS BEGUN RECRUITING SUBJECT
EVENT WITHOUT FIRST SEEKING POST'S CONCURRENCE. FOR REASONS
EXPLAINED BELOW, WE DO NOT BELIEVE THAT VCE WOULD BE APPRO-
PRIATE TRADE PROMOTION VEHICLE FOR MACHINE TOOLS IN THIS MARKET
AND DECLINE TO ACCEPT PROPOSED SHOW. IN THIS CONNECTION, PLEASE
ALSO SEE OUR COMMENTS PARA 4 REF (C) ON UTILITY OF VCE CONCEPT
IN SOVIET UNION.

2. COMATT AND COMOFF DISCUSSED SUBJECT EVENT WITH JOHN A.
CONNOR, INTERNATIONAL TRADE DIRECTOR, NATIONAL MACHINE TOOL
BUILDERS' ASSOCIATION (NMTBA), DURING HIS VISIT TO MOSCOW
LAST WEEK FOR DISCUSSIONS ON STANKI II, THE SECOND, U.S.
NATIONAL MACHINE TOOL SHOW, WHICH USDOC AND NMTBA WILL JOINTLY
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STAGE HERE IN APRIL 1978. CONNOR SAID THAT MACHINE TOOL VIDEO
CATALOG SHOW HAS PROVED TO BE VERY USEFUL MEDIUM IN DEVELOPING
COUNTRY MARKETS LIKE SINGAPORE AND TAIWAN WHERE THERE IS
COMPARATIVELY LITTLE FAMILIARITY WITH U.S. MACHINE TOOLS AND
WHERE INDUSTRY CAN USE VCE TO "TEST THE WATER." THIS SITUA-
TION DOES NOT OBTAIN IN USSR, HE EXPLAINED, FOR SOVIET BUYERS
AND END-USERS ARE HIGHLY SOPHISTICATED SPECIALISTS WELL FAMILIAR

WITH AMERICAN MACHINE TOOLS THROUGH 1974 STANKI I EXHIBITION, INDIVIDUAL FIRMS' MARKETING EFFORTS, U.S. TECHNICAL PUBLICATIONS, FIRST-HAND EXPERIENCE WITH MACHINES PURCHASED DURING PAST DECADE. IN HIS OPINION, IT WOULD BE INAPPROPRIATE TO STAGE MACHINE TOOL VCE IN USSR, WHERE MACHINE TOOL INDUSTRY IS TECHNOLOGICALLY WELL ADVANCED AND MARKET WELL PLOWED. FOR THESE REASONS, ACCORDING TO CONNOR, NMTBA WOULD NOT CONSIDER PARTICIPATION IN THIS VCE AT USCO.

3. EMBASSY CONCURS WITH CONNOR'S ASSESSMENT. COMPETITION IN USSR MACHINE TOOL MARKET IS TOO INTENSE AND BUYERS TOO SOPHISTICATED FOR VIDEO CATALOG APPROACH TO BE EFFECTIVE. AS STANKI II WILL TAKE PLACE JUST SIX MONTHS AFTER PROPOSED OCTOBER DTE FOR SUBJECT VCE, SOVIET SPECIALISTS ARE NOT LIKELY TO BE ATTRACTED TO VIDEO TAPES TARGETED AT AUDIENCE WITH LOWER TECHNICAL COMPETENCE WHEN THEY WILL BE ABLE TO SEE ACTUAL MACHINES IN OPERATION AND POSE QUESTIONS TO INDIVIDUAL FIRM REPS IN APRIL (AND AS THEY CAN NOW DO AT 51-FIRM FRENCH MACHINE TOOL EXHIBIT AT SOKOL'NIKI THROUGH APRIL 15). MOREOVER, RIGID SOVIET GROUND RULES WOULD PREVENT USCO EITHER FROM REGISTERING OR COLLECTING REGISTRATION FEEDBACK FORMS FROM THE FEW VISITORS WE COULD EXPECT. WITHOUT FEEDBACK FORMS TO SEND TO INDIVIDUAL U.S. FIRMS FOR MARKETING FOLLOW-UP, VCE WOULD LOSE MUCH OF ITS COMMERCIAL RATIONALE.

4. EMBASSY'S OPPOSITION TO THIS SHOW DOES NOT EXTEND TO EXPANDED USE OF VIDEO TAPES IN COMMERCIAL OFFICE EVENTS. ON CONTRARY, WE BELIEVE THAT SEMINAR (OR S/ME) INCORPORATING BOTH VIDEO TAPES AND SPECIALISTS FROM ALL PARTICIPATING COM-

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PANIES FOR ON-THE-SPOT FOLLOW-UP WOULD BE HIGHLY EFFECTIVE SALES TOOL. CONNOR CONCURRED THAT SUCH AN EVENT COULD WELL INTEREST SOVIET MACHINE TOOL SPECIALISTS IF FOCUS WERE ON U.S. STATE-OF-ART TECHNOLOGY.

5. USCO ACKNOWLEDGES RECEIPT OF VIDEO TAPES MENTIONED REF A, PARA 1.
TOON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Executive Order: N/A
Errors: N/A
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Format: TEL
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Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770466/aaaacfhw.tel
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2833343
Secure: OPEN
Status: NATIVE
Subject: PROPOSED MACHINE TOOL AND METAL FORMING VIDEO CATALOG EXHIBIT (VCE) A) USDOC 6441, B) THOMPSON-FARRAND
MEMO 3/18/77, C
TAGS: BEXP, UR
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9e44bda6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009